

STATE OF WASHINGTON



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of)	
)	Order No. D05-325
MONTHLY INSURANCE)	
PREMIUM,)	STIPULATION AND ORDER
)	TO PAY FINE
a Licensed Premium Finance Company.)	
_____)	

FINDINGS OF FACT

- 1) Monthly Insurance Premium (MIP) is a premium finance company properly licensed with the Washington State Office of Insurance Commissioner (OIC) effective January 10, 2005.
- 2) Ron Rothert Insurance Inc., which owns MIP, is an agency properly licensed by the OIC.
- 3) Prior to January 10, 2005, MIP, which is located in Portland, Oregon, was not licensed to do business in Washington. Prior to obtaining its license, MIP did conduct business in Washington providing 270 premium finance agreements for insured property owners in the previous two years before licensure.
- 4) During the course of the OIC investigation into the licensing violations, it was discovered that MIP had provided 98 retroactive cancellation notices to lien holders without the required 10-day notice provision.
- 5) Immediately upon learning of the code violations, MIP took remedial action to bring itself within the confines of the insurance code.
- 6) The company ceased doing business until such time as it was properly licensed.
- 7) The company immediately amended its cancellation procedure to provide the statutory 10-day notice plus mail time.

CONCLUSIONS OF LAW

- 1) RCW 48.56.030 requires the licensing of a premium finance company. MIP was in violation of this code provision by issuing 270 premium finance agreements prior to obtaining its premium finance license from the OIC on January 10, 2005.
- 2) RCW 48.56.110 requires 10-days notice when a premium finance company is able to effectuate cancellation of an insurance contract.
- 3) WAC 284-21-990(4) requires that notice of cancellation to a lien holder be no less favorable than notices sent to insureds. The 98 cancellation notices to lien holders failed to provide the statutorily required 10-day notice.

STIPULATION TO ORDER

NOW, THEREFORE, the company in a desire to resolve this matter without further administrative or judicial proceedings agrees to settle this matter in consideration of the fine and such terms and conditions as set forth below:

- 1) The company agrees to pay a fine in the amount of \$9,200 for the 270 illegally financed premiums and the 98 retroactive cancellation notices to lien holders on condition that the company shall not violate the provisions of the Washington State Insurance Code which are the subject of this Order.
- 2) Failure to pay the fine set forth in paragraph 1 shall constitute grounds for the OIC to take action to suspend or revoke the Company's license and such other action specifically provided for in Title 48 RCW.

EXECUTED this ____ day of _____ 2005.

MONTHLY INSURANCE PAYMENT

By: _____
Title: _____

ORDER OF THE INSURANCE COMMISSIONER

NOW, THEREFORE, pursuant to the foregoing, the Insurance Commissioner hereby orders as follows:

- 1) Monthly Insurance Premium is ordered to pay a fine in the amount of \$9,200 pursuant to RCW 48.17.560 and RCW 48.56.050 and the activity described in the foregoing Stipulation.

- 2) It is Further Ordered that in the event that this sum is not paid within 30 days from the date of this Order, the sum will be recoverable in a civil action brought on behalf of the Insurance Commissioner by the Attorney General pursuant to RCW 48.05.185.

SIGNED AND ENTERED THIS _____ day of _____, 2005.

Mary M. Cotter
Staff Attorney, Legal Affairs.